



# The History of the Co-operative Movement in Canada



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# The History of The Co-operative Movement in Canada

By George Keen

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The first evidence of co-operative interest in Canada of which there is any record, so far as is known, was the organisation in Nova Scotia of what is claimed to be the first agricultural society. It was inaugurated in Halifax on the 10th of December, 1789, and soon after, according to John Young, a Halifax newspaper correspondent for the "Acadian Recorder", quoted by George S. Mooney in his "Co-operatives To-day and To-morrow", the inhabitants of the County of Hants, formed themselves into a similar association with a view to co-operating with the capital in promoting agricultural and rural economy. We learn also from this volume "in the same year there is record of the formation of a farmers' club in Quebec City under the patronage of the Governor-General, Lord Dorchester". The purposes of these early organisations were generally for the improvement of agriculture, the acquisition of new machinery, seeds and livestock and the improvement of the soil. They also gave assistance to immigrants in settlements on land and in finding employment. They were mutual associations for educational and industrial betterment, but were not of the economic type usually considered to be embraced by the modern Co-operative Movement.

## The First Co-operative

Twenty years earlier—November 9th, 1769—there was established at Fenwick, a small village near Kilmarn-

ock, Scotland, the Fenwick Weavers Society. It is the first known co-operative society. The late Sir William Maxwell in his "History of Co-operation in Scotland", says "the (Fenwick) Weavers Society in all probability would have for its object the relief of its members in times of distress with sick and financial benefits." It was, however, also operated for the purchase and distribution of the necessities of life for its members. The following memorandum, dated 9th November, 1769, was signed by twelve members and which may be regarded as a simple and modest equivalent of the by-laws of the modern co-operative society:

"This present Day It is agreed upon by the members of our society to take what money we have in our Box and buy what Victuals may be thought necessary to sell for the benefit of our society. And the managers of our society may borrow what money they think proper for that end and purpose. And when the interest is paid of what money you borrow and the men receive their wages for buying and selling these Victuals we deal in the society will both reap the benefit and sustain the loss of them, and if any member of our society pay not what quantity of Victuals he receives at the end of four weeks if the managers require it of him, neither him nor his shall have any more right to our society's Victuals if he be found

buying Victuals from any other and leaving the trade in debt of the same according to the option of the society."

The spelling is as it appears in the document, and of the twelve signatories three were illiterate, having to place their marks under their names instead of their signatures. "Victuals" is one of the terms used for food and refreshment in Britain.

## Movement Commenced at Rochdale

The modern Co-operative Movement, as is generally known, was launched at Rochdale, England, by twenty-eight unemployed weavers on the 21st December, 1844, who organised the Rochdale Society of Equitable Pioneers and opened a very modest store in Toad Lane of that town. Its democratic and economic principles are entirely or substantially those upon which the Co-operative Movement in all countries is based. Rochdale is universally regarded as the birthplace of Co-operation as a Movement. The Province of Nova Scotia may properly be described as the "cradle" of Co-operation in Canada. The first co-operative store on the Rochdale plan in the Dominion was established in 1861; that is to say seventeen years after the opening of the store of the Rochdale Society of Equitable Pioneers. It was conducted by the Union Association of Stellarton. The most outstanding name associated with it is that of James Mitchell. For the first fifteen years he was secretary, after which he was manager for thirty-eight years, retiring in 1914 after having faithfully served the society for fifty-three years. It is said he had been trained in co-operative methods in England. He was an efficient manager, for the store was successfully

operated during that long period, the purchase dividends, or savings returns, declared ranging from 3% to 12%.

## Mitchell a Philanthropist

In the introduction to a Souvenir published in 1931 on the occasion of the Silver Jubilee of the British Canadian Co-operative Society, the largest and most successful consumers co-operative in Canada, the present writer said in part: "Mitchell must be regarded as a philanthropist rather than as a co-operator. His memory is entitled to respect for the conscientious and self-sacrificing services he gave to his fellow citizens for over half a century. While such services increased the purchasing power of the earnings of the members, they had no co-operative significance in the comprehensive social or cultural sense. At no time, so far as the writer is aware, did Mitchell take any interest in the Co-operative Movement at large, and like all so-called co-operative societies of the one-man type the one he managed had not in it the element of permanency. In instances where they are dominated by men who have not the character and capacity of Mitchell, it is very rare indeed they survive for any considerable length of time."

According to Professor Humphrey Michell in his pamphlet "The Co-operative Store in Canada," ten co-operative stores were launched in the mining districts of Nova Scotia between 1861 and 1900, and several more between the latter year and 1905, all of which have since disappeared. The Sydney Mines Co-operative Society organised in 1863 operated successfully for many years, although subsequently for various reasons it declined in prosperity, and finally in 1905 went out of

business, its store equipment and stock of merchandise being destroyed by fire.

#### British Canadian Co-operative Launched

About a year after the disappearance of the Sydney Mines Co-operative Society another one was organised in that Cape Breton coal mining community—The British Canadian Co-operative Society Limited, above mentioned. It commenced business on July 6, 1906, on Fraser Avenue, Sydney Mines, in a room 180 square feet in extent, rented at \$12.00 per month. It has achieved a measure of success unexcelled by any co-operative society in an urban community on the North American Continent. On the occasion of its Silver Jubilee in 1931 information was published showing that its sales during the twenty-five year period had amounted to \$20,335,768.19 and that its capital deposits and loans were at the time \$588,750.17. It was further shown that the members had received from the Society during the period \$175,378.23 as interest on their investments and that they had received back from the Society as savings on their purchases \$2,075,376.52, or approximately an average of ten per cent, over the whole period. This Society has been in continuous and successful operation for over thirty-six years. For the year 1941 the sales of the Society, which has now eight branches in the Cape Breton mining area, were \$1,374,578.71, the membership was 3,647 and the purchase dividends distributed amounted to \$81,040.56. The most outstanding feature of this Society is that it has achieved its great success and prominent position in the Canadian Movement by the unaided efforts of its own members, predominantly coal miners, except in so far as it may, from time to time, have received some

inspiration and educational assistance from The Co-operative Union of Canada and its publications, for it has been a member of the Union since its inception. The British Canadian Co-operative Society has demonstrated that the Canadian working-class is just as able to organise successfully for the economical satisfaction of its needs for merchandise and services as the working-class of Britain and other European countries.

#### Creation of Canadian Movement

Just as it is said that "one swallow does not make a summer," one co-operative does not make a Co-operative Movement. This fact was emphasized by Dr. J. P. Warbasse, President Emeritus, and for the first twenty-five years of its existence President of the Co-operative League of the U.S.A., in his congratulations to The Co-operative Union of Canada on the occasion of the completion of a third of a century of service to the Co-operative Movement in Canada. In a letter addressed to the present writer on June 20th, 1942, Dr. Warbasse said in part: "You have created the Co-operative Movement in Canada. Before you and your little band held their meeting in 1909 there was no Co-operative Movement in Canada. There were scattered co-operative societies, but no Co-operative Movement. The Co-operative Movement of Canada began with the creation of the Co-operative Union, and with the publication of "The Canadian Co-operator" all in the year 1909."

The Canadian Co-operative Movement had its inception at a meeting held on the 6th March, 1909, at Hamilton, Ontario. It was a very small one. In calling it all co-operatives in Canada of which the convener had knowledge were invited to accredit delegates.

The Minute Book shows there were present "Samuel Carter (President of the Guelph Co-operative Assn.), V. S. Clowes, Secretary of the Rochdale Company Limited, Hamilton; George Keen, President of the Brantford Co-operative Association Ltd.; J. P. Whelan, President of the Canadian Co-operative Association Ltd., Hamilton; all of whom were duly accredited by their respective societies." The Rochdale Company Ltd. functioned as a wholesale society, and was operated under the auspices of, and financed by, Canadian Co-operative Concern, Ltd. All the organizations mentioned have long since faded out of the co-operative picture. The Guelph Co-operative Assn. Ltd. successfully operated a considerable and varied business for over twenty years, and distributed more than \$100,000 in purchase dividends during that time. In the writer's judgment its ultimate failure was as avoidable as it was unfortunate. While all the above mentioned represented Ontario co-operatives, representatives of two Nova Scotia co-operatives also intended to be present, but were snow-bound on the way, and arrived soon after the close of the meeting. The business transacted was reported to them. They were Willoughby McLeod, Secretary-Manager of the Glace Bay Co-operative Society Limited (since absorbed by the British Canadian Co-operative Society), and A. McMullen, Manager of the Workmen's Store Co. Ltd., Dominion, N.S.

#### First Officers of Co-operative Union

At this meeting, on the motion of Samuel Carter and the present writer, a resolution was passed that "the respective societies represented by the delegates be and the same are hereby formed into a union to be known as

The Co-operative Union of Canada, with power to add to their number." Samuel Carter was elected President, and J. P. Whelan, President of the Canadian Co-operative Concern Ltd., R. H. Coats, referred to in the resolution as "editor of the 'Labor Gazette,' secretary of the Civil Service Association and Provisional Secretary of the Civil Service Co-operative Society in course of formation," who for many years and until his retirement recently was Dominion Statistician, and A. McMullen, manager of the Workmen's Store Company Limited, Dominion, N.S., were elected Vice-Presidents. The present writer was elected "general secretary of the Union for the year," and he has continued to the present time. Later it was felt a national movement needed an organ of expression, and in October, 1909, "The Canadian Co-operator" was authorized, and it has been in continuous publication since.

Samuel Carter continued in office as president until the 30th of August, 1921, a period of twelve years, when he was succeeded by W. C. Good, B.A., who has been regularly re-elected president in the meantime. Mr. Good, who was the first president of the United Farmers Co-operative Company, Ltd., Toronto, and at the present time is Vice-President, has, therefore, served the Co-operative Union of Canada as president for the long period of twenty-one years, and he has done so with conspicuous ability, self-sacrifice and devotion.

#### Federal Legislation Sought

The affiliates of the Union at its inception, and for a considerable period thereafter, were exclusively consumers co-operatives. Before and after the organization of the Union, the present writer collaborated with the late Al-

phonse Desjardins, founder of the People's Bank or Credit Union Movement on this continent, in efforts to secure federal legislation for the incorporation of co-operatives. The co-operative organization of financial credit is generally regarded as a consumer function. The original bill introduced in the House of Commons passed that Chamber in 1907 without a vote being registered against it. Before it was submitted to the Senate strong opposition thereto was organized by the Retail Merchants' Association, and the Bill was defeated in that Chamber by a majority of one vote only. Subsequently the leader of the opposition to the Bill in the Senate, Hon. G. W. Ross, a former Premier of Ontario, announced he had no objection to the principle of Co-operative legislation, but was of the opinion federal enactment of such a measure would be an infringement of provincial rights.

Desjardins subsequently planned to have introduced a new Co-operative Bill in the House of Commons for the incorporation only of people's or co-operative banks. He expressed the opinion that this action would disarm opposition, and said that subsequently another Bill could be introduced for co-operatives generally. In this he was mistaken. The effort to pass a Bill for the incorporation of people's banks was regarded by the private trade interests as "the thin edge of the wedge." The Bill did not make progress, nor did a subsequent one introduced by Lloyd Harris, M.P. for Brantford, at the inspiration of The Co-operative Union of Canada.

Frequently, in the meantime, the Annual Congress of The Co-operative Union of Canada has urged the Federal Government to introduce legislation for the incorporation of co-operatives of all kinds, but so far without success.

It has, therefore, been necessary to secure facilities for incorporation through the provincial legislatures. Nearly all of them have enacted such legislation, and in some provinces have appointed officials for the encouragement, supervision and assistance of co-operatives, particularly of credit unions which do not meet the same measure of opposition by private trade interests as that encountered by other types. There has been a considerable extension of co-operative banking activity in recent years in most provinces.

#### Producer and Marketing Co-operatives

Producer and marketing co-operatives among farmers and fishermen have developed on a much greater scale in Canada than have consumer operatives. For many years past The Co-operative Union has admitted such organizations to membership. In this policy it differs from that of The Co-operative League of the U.S.A., its sister organization in the United States, which confines its membership to consumer co-operatives. The Co-operative League does, however, include in its membership large co-operatives principally engaged in the production and distribution of industrial supplies, but which are really producer and not consumer functions. Some co-operative authorities regard producer co-operatives—agricultural and fishermen's—as the equivalent of trade unions; that is to say organizations with a class interest only. Consumer co-operatives make a universal appeal, for everyone must consume. Space will not permit a full discussion of the subject, but it may be said that while devoted to the consumer theory of production—that is to say production primarily to satisfy human needs—the Co-operative Union of Canada takes the view that genuine producers and marketing co-operatives are organized to eliminate the element of profit on price, and instead to substitute reward for actual service, and

that it is desirable that both types should, as far as they can, work together for their mutual advantage as against economic interests which operate to their common injury.

#### Isolation Cause of Slow Growth

The growth of Co-operation in Canada has been slow, but notwithstanding numerous failures it has been steady and substantial. Slow growth and failure may largely be attributed to an imperfect interpretation of the real significance of the Movement. Many organizations which have adopted the economic principles of the Rochdale Pioneers have been, and are, parochial in their interest and their outlook. Their isolation has been due to the fact that they have failed to realize that Co-operation is basically a philosophy of life, and that co-operative business undertakings are merely economic expressions of it. Steadily, however, co-operative isolationism is disappearing, and today there is a much better appreciation of the true significance of the Movement, as well as devotion to its philosophy.

The Co-operative Union of Canada now has in membership five provincial and regional co-operative wholesale societies, one of which also functions for the marketing of livestock, two of the provincial wheat pools, a provincial livestock co-operative, two producer co-operative dairies, two large fish marketing and distributing co-operatives, a co-operative gasoline refinery, and 210 retail co-operatives distributing consumer goods and industrial supplies.

While the fact gets little publicity, co-operative development has been for many years much greater in Saskatchewan than in any other province. A member of at least one co-operative may be found in half the homes of that province.

#### Ethical Value Realized By Churches

The ethical and social as well as the economic value of co-operative philosophy and principles has for some years past been realized to an ever increasing degree by the Christian Churches. In the Maritimes, as is widely known, St. Francis Xavier University, through its Extension Department, has for many years past spent large amounts annually in the education and organization for co-operative purposes of the people in the area it serves to the end that their economic, social and cultural standards may be improved. While such valuable services have been rendered at the expense of members of the Catholic Church, they have been furnished for the advantage of the people generally, irrespective of their religious convictions or associations. Indeed, every effort has been, and is being made, to get the people to work together co-operatively for their mutual betterment on the basis of political as well as religious neutrality. The policy adopted has consequently promoted among neighbours a better understanding of and respect for each other. It has also been realized that the good will and support of as many as possible in a community or an area are necessary to produce the best results of co-operative action for each and all.

# The Co-operative Union of Canada

(Organized March 6th, 1909)

## Is the Missionary, Organizer and Adviser of the Co-operative Movement in Canada

The Co-operative Union is a national association of co-operative societies. Its objects include the cultivation in the people of Canada of co-operative habits of mind, and the propagation generally of co-operative philosophy, without which permanency and steady growth cannot be expected in co-operative economic activities. It is concerned to organise co-operative work in all its branches, including the promotion of education, publicity and propaganda, having in view the ultimate establishment of a co-operative commonwealth, international as well as national in scope.

The Co-operative Union has been for many years the Canadian national member of the International Co-operative Alliance, and is, therefore, representative in Canada of the International Co-operative Movement. The International Co-operative Alliance comprises the National Co-operative Unions of thirty-eight countries, with an aggregate membership of seventy-one millions and with their families probably comprising a population of two hundred and eighty millions. In practice, the Co-operative Union is the counsellor and guide of the boards and managers of its affiliated societies, placing at their service the co-operative experience of over thirty years, from coast to coast, in the establishment and operation of co-operative societies. The Co-operative Union calls for, tabulates and circulates monthly, statistical information as to the business operations of each affiliated society, and if and when unfavorable business trends are disclosed by any society, the Union co-operates with it in the satisfactory solution of the problems thereby created before any considerable loss can be made; greatly assisting by so doing in the stabilisation of the whole Movement on a sound and successful basis.

The rules of the Union provide for the establishment of Provincial Sections. Such Provincial Sections are entitled to complete autonomy in the transaction of their own affairs, and to enact their own rules of government.

The Co-operative Union publishes "the Canadian Co-operator" monthly. It is the oldest co-operative journal on the North American Continent devoted to the instruction of the public in co-operative philosophy and principles, and to the furnishing of advice and information as to their successful practice. It also circulates, free of charge, among its affiliates "The Canadian Co-operative Official" which deals with subjects of practical interest to co-operative officials.

Full particulars of the work and objects of the Union may be obtained from its General Secretary, George Keen, at

215 NELSON STREET, BRANTFORD, ONTARIO